

Point of Sale Billing

The Point of Sale (POS) system provides pharmacists with the capability to submit pharmacy claims electronically. It allows pharmacies to immediately determine Medicaid client eligibility, verify drug coverage, and have "real time" claims processing. It is based on NCPDP Version 5.1, a national claim format developed by the National Council for Prescription Drugs. Initially, Version 1.0 of the NCPDP Telecommunications Standard Format will be utilized in billing these claims.

Effective October 17, 2003, only claims submitted in NCPDP 5.1 will be accepted. Providers may begin submitting the 5.1 version as of July 1, 2003.

Pharmacy claims are routed electronically through network companies (switches). The network companies currently participating in this process are National Data Corporation (NDC) and WEBMD. Other interested and qualified networks may also participate.

For information about submitting claims through NDC or WEBMD, please call NDC Easyclaim Customer Support at 1-800-388-2316 or WEBMD at 1-800-333-6869.

The same fields billed on the paper pharmacy claim form remain required for proper POS billing.

SPECIAL POINT OF SALE INSTRUCTIONS

1. Compound Billing

Effective October 17, 2003, all pharmacies will be required to submit compounds using the NCPDP 5.1 software, compound segment. Each ingredient covered by Medicaid must be billed with a NDC number and the appropriate quantity, from one tablet to multiple grams of ointment.

Include your usual dispensing fee with each ingredient submitted. Medicaid will reimburse up to three dispensing fees for covered medications. Single ingredient compounds with noncovered diluents or bases will receive one fee despite the difficulty of some compounded entities. Each Medicaid covered ingredient will be charged a co-payment when appropriate.

Compounded prescription claims with non-covered medications must be submitted with the clarification code 8 to override the non-covered medication and pay the covered medications. Otherwise the prescription will be denied.

2. Reversals

This option allows you to reverse (credit) any claim paid or captured through the Point of Sale system up to 180 days from the date of service.

When a PAID claim is reversed, both the claim and the reversal will appear on the Remittance Advice.

When a CAPTURED claim is reversed, neither the claim nor the reversal will appear on the Remittance Advice.

3. Early Refill Edit Override

The Early Refill Edit Override was discontinued August 1, 2001. For an explanation, refer to the October 2001 Medicaid Information Bulletin "Pharmacy Claims: Electronic Override for Early Refills Discontinued" : <http://health.utah.gov/medicaid/pdfs/october2001.pdf>

4. Pregnancy Indicator Available

Pharmacies that are using the new NCPDP 5.1 software must indicate that the recipient is pregnant by using the pregnancy indicator, value '2'.

Effective October 17, 2003, a claim for prenatal vitamins will not be covered unless the pharmacy indicates that the client is pregnant.

5. Pharmacy Date of Birth Requirements

Effective July 1, 2003, pharmacies must submit claims with the complete name and date of birth from the Medicaid card. Claims will be denied if the name and date of birth does not match the date on the Medicaid identification card. Newborns must also be submitted with the information from the card.

Providers may contact the Medicaid Hotline for assistance. Recipients must contact their eligibility workers to correct the information on their cards.

6. Drug Returns in Nursing Homes Indicators

Pharmacies that are using the new NCPDP 5.1 software may identify claims and reversals that are related to the Drug Return program. Identified claims will expedite the review process required for the program. In the result of service field (441-E6), enter '3C', discontinued drug, for reversal transactions and '1F', filled with different quantity, for re-billed claim transactions.

Utah Specific Error Messages

Whenever possible, the Medicaid Point of Sale system uses NCPDP reject codes to reply to requests for payment from pharmacy providers. You should receive a complete NCPDP message from Medicaid Point of Sale. If you receive incomplete messages - for example, only the number 64 - please call your software vendor and ask for a system upgrade. With the upgrade, you will be able to view the NCPDP messages in their correct form. Following are the Utah specific error messages.

Captured Professional Review	These claims need to be reviewed by Medicaid staff. These claims will be captured and paid or denied the following week.
Bill Nursing Home	Medicaid shows the client resides in a nursing home. The medication should be billed to the nursing home.
RX not a benefit for client	The client is eligible through the Emergency Medicaid Only program which does not cover pharmaceuticals.
Client Restricted	This client is restricted to one pharmacy. Check the client's Medicaid card and direct them to the pharmacy printed on the card. Do not dispense medications unless client agrees to pay for them.
Host duplicate file error	Please call Medicaid Information (538-6155 or 1-800-662-9651).
Host other files error	Please call Medicaid Information (538-6155 or 1-800-662-9651).
MI-706 Required	All services for Foster Care clients require a MI-706. Please enter the MI-706 approval number in the prior authorization field.
Verify Baby Your Baby Card	Please verify that the date of service is within the covered dates of service on the Baby Your Baby card.
* Possible Spenddown Obligation	The client has agreed to pay for some services to become eligible for Medicaid. The client may owe you for some services. The client's Medicaid card should have a Form MEEU attached detailing any financial obligations. If you do not have access to this information, call Medicaid Information. Staff can provide information as to any amounts are owed to you by the client.

System Failure

As with all electronic software, problems must be identified and resolved. The pharmacy provider is a key element in identifying problems both with the software and with the file updates twice a month. From time to time, a pharmacist may experience a problem getting an electronic claim through to the State of Utah. Instead of receiving an authorization number or a transaction control number (TCN), the screen shows "system unavailable" or "host processing failure" or something similar. This means Medicaid did not receive the claim. The pharmacist may choose to wait and resubmit, or make a phone call to report the problem and initiate action.

If the pharmacist chooses to make a phone call, the call must be directed to the specific "switch" company that the pharmacy or pharmacy corporate office has contracted with to carry the Medicaid claim to the State computer center. Such companies serve as private traffic control centers for routing pharmacy claims from their various sources to many payer destinations. There are two "switches" serving as intermediaries between Utah Medicaid pharmacists and the Utah Medicaid computer center -- WEBMD Corporation, and National Data Corporation (NDC).

For certain types of problems, WEBMD shows a screen message that contains the letters EV followed by a number. NDC does not identify itself directly this way. WEBMD can be reached at its Help Desk, 1-800-333-6869. National Data Corporation can be reached at NDC Network Control, 1-800-388-2316. If the switch company cannot fix the problem, they will contact the phone company or the State and initiate action.

If you have questions that do not get resolved, please contact Medicaid Information.